



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 16, 1999

TO: File

THRU: Daron Haddock, Permit Supervisor *DH*

FROM: Wayne H. Western, Senior Reclamation Specialist *WHW*

RE: Midterm Bond Adjustments, Consolidation Coal Company, Emery Deep Mine, ACT/015/015-MT99, File #2, Emery County, Utah

SUMMARY:

On January 29, 1999, the Division received updated reclamation cost estimates for the Emery Deep mine. The Division reviewed the information and adjusted the bond.

Analysis:

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: R645-301-800, et seq.

Analysis:

Determination of bond amount.

On January 29, 1999, the Division received updated reclamation cost estimates from the Permittee. The Division reviewed the reclamation cost estimates and then calculated the reclamation bond amount. The revised bond amount is \$1,473,000. Attached are the work sheets for the Division's reclamation bond calculation.

Findings:

The current reclamation bond is not considered adequate to meet the requirements of this section. The Permittee must provide the Division with a reclamation bond of at least \$1,473,000.

R645-301-830, The Permittee must increase the reclamation bond to \$1,473,000.

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RECOMMENDATION:

Before formally requests that the Permittee increase the bond to \$1,473,000, the Division should give the Permittee the opportunity to review the bond and comment on the bond amount.

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